

June 21, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

**STATE LEGISLATIVE UPDATE – ITEM NO. 7 OF THE SPECIAL MEETING AGENDA
OF JUNE 26, 2002 FOR THE 2002-03 BUDGET DELIBERATIONS**

Budget Conference Committee Update

As reported in yesterday's State Legislative Update (which is attached), the Conference Committee continues to struggle to reach agreement on a plan to close an unprecedented \$24 billion State budget gap that the Legislature can pass and send to the Governor before the start of the fiscal year on July 1. The need to find an additional \$1.2 billion to fund a higher budget reserve, as well as some of the Legislature's budget restorations, has made their task even more difficult.

At its meeting on Wednesday, June 19, 2002, the Budget Conference Committee reviewed a list requested by Senator Ackerman of items on which they had adopted the higher amount. Motions to adopt the lower amount failed in virtually all cases, except for High Technology Equipment Grants which the Committee voted to eliminate rather than reduce. Consequently, essentially all prior actions of the Committee were sustained. (As a result, the numbers on the attached chart showing the estimated loss to the County continue to be accurate.) However, during a discussion of the \$25 million augmentation for trauma systems, the Department of Finance indicated that they would advise the Governor to veto that provision if it remained in the bill. The Committee voted to retain it.